

FILED/ACCEPTED

DEC - 4 2006

November 30, 2006

Federal Communications Commission
Office of the Secretary

VIA COURIER

Marlene H. Dortch, Esquire
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

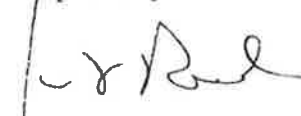
Re: KIMO(TV), Anchorage, Alaska (Fac. Id. 13815)
ABC Network Affiliation Agreement

Dear Ms. Dortch:

On behalf of Smith Media License Holdings, LLC, licensee of KIMO(TV), Anchorage, Alaska, we hereby submit, in triplicate, a copy of the station's ABC network affiliation agreement.

If you should have any questions about this matter, please contact me.

Respectfully submitted,



Kevin F. Reed

KFR/cjp2
Enclosure

August 15, 2006

PRIMARY TELEVISION AFFILIATION AGREEMENT

Mr. Michael Granados
President/CEO
Smith Media, LLC
8000 IH 10 West, Suite 600
San Antonio, TX 78230

TELEVISION STATION: KIMO TV/DT Anchorage

Dear Mr. Granados:

The following shall constitute the agreement (the "Agreement") between American Broadcasting Companies, Inc. ("ABC," "Network," "us" or "we") and Smith Media, LLC ("you" or "your"), for program carriage and promotion on your station, KIMO-TV/DT, Anchorage ("KIMO," or "Station"). We and you hereby mutually agree upon the following plan of network cooperation. This agreement shall supercede and replace the affiliation agreement between you and us dated May 1, 1995, as amended.

I. NETWORK AFFILIATION AND PROGRAM SERVICE

A. Primary Affiliation. Your Station agrees to serve as our primary affiliate to broadcast Network Television Programs, as hereinafter defined, in the community to which Station is licensed by the Federal Communications Commission ("FCC"), subject to the conditions and limitations set forth herein. As used in this Agreement, "Network Television Program" means the complete television program or series of such programs which is a part of the ABC Television Network schedule to be broadcast on a national television basis in the time period designated for such broadcast in Station's time zone by ABC, subject to any time period adjustments contained herein. (Network Television Program will also be referred to herein as "network programs," "television programs," "programs" or "programming" or in the singular of such terms.)

B. First Call Rights. To enable your Station to serve as our primary affiliate, we agree to offer your Station first call on the right to broadcast Network Television Programs, in the community to which Station is licensed by the FCC, during the relevant time period established by ABC for their broadcast in the

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Station's time zone ("First Call Rights"), for over the air reception by the general public in places to which no admission is charged. Each such offer shall set forth the terms of acceptance. Notwithstanding the foregoing, ABC shall have the right to authorize any television broadcasting station, regardless of the community to which it is licensed by the FCC, to broadcast any Network presentation of a subject we deem to be of immediate national significance including, but not limited to, a Presidential address.

1. **First Call Offer.**

- a. **Regularly Scheduled Programs.** You agree that, within 15 days following its receipt of our offer via the Affiliate Communication Systems ("ACS") (or any replacement system) of a First Call Offer to a regularly scheduled Network Television Program, Station will, consistent with its clearance obligations as provided in Section I.C.2 below, advise us of its acceptance (if requested to do so by the terms of our offer) or rejection of the program. Acceptance by Station of our First Call Offer shall constitute Station's commitment to broadcast the subject Network Television Program(s) in accordance with the terms of this Agreement and the terms of our offer to Station. Broadcast of the program during the network designated time period for Station's time zone is referred to herein as "in pattern". Acceptance of a program, and its complete in pattern broadcast in accordance with the terms of this Agreement and the offer, is referred to herein as "to clear" or "clearance" of a program.
- b. **Other Programs.** With respect to any Network program not regularly scheduled or not part of Station's clearance obligations as provided in Section I.C.2 below, Station will advise us of its acceptance or rejection of our First Call Offer within seventy-two (72) hours (exclusive of Saturdays, Sundays and holidays) after such offer has been received at Station. However, if the first broadcast referred to in our offer is scheduled to occur within less than fifteen (15) days after the date of our offer with respect to regularly scheduled network programs or less than seventy-two (72) hours after our offer has been received at Station with respect to Network Programs not regularly scheduled, notification of acceptance or rejection of such offer shall be made as promptly as possible, but in no event after the first

broadcast time specified in such offer. A failure to advise us of acceptance or rejection of a program within the applicable time period will be deemed to be an acceptance of the offered program.

- c. **Program Related Material Clearance** of a program includes the unaltered carriage and pass through of all enhanced or interactive content that the Network reasonably associates and delivers with the Primary Digital Feed that is designed to attract or maintain television viewership. Program Related Material includes all enhanced or interactive program content and enhanced or interactive advertisements (including associated URLs and triggering devices). Program Related Material also includes: (i) closed captioning information, (ii) program id codes, (iii) broadcast flags and watermarks, (iv) rating information and data, and (v) SAP feeds.
- 2. **Network Program Offerings.** You will receive First Call Offers with respect to:
 - a. **Network Sponsored Programs.** "Network Sponsored Programs," as used in this Agreement, shall mean those Network Television Programs which contain one or more commercial announcements paid for by or on behalf of one or more ABC network advertisers. Subject to the clearance obligations in Section I.C.2, below, Station agrees to broadcast Network Sponsored Programs in their entirety, including but not limited to the Network commercial announcements ordered for your station, Program Related Material, Network identifications, program promotional material or credit announcements contained in such programs which Station accepts, without interruption, modification, technical degradation, deletion or addition of any kind (except for FCC mandated local breaking news or emergency notification crawls). It is also understood that no commercial announcement, promotional announcement or public service announcement will be broadcast by Station during any interval within a Network program designated by ABC as being for the sole purpose of making a station identification announcement.
 - b. **Network Sustaining, Cooperative and Spot Carrier Programs.**
 - i) We will from time to time offer you live or recorded Network Television Programs identified as sustaining

programs, cooperative programs or spot carrier programs. You agree to broadcast such programs which you accept in their entirety, including all Program Related Material, without interruption, modification, technical degradation, deletion or addition of any kind (except for FCC mandated local breaking news or emergency notification crawls).

ii) The Network sustaining programs which we may offer to you may not, without our prior written consent, be sold by your station for commercial sponsorship or interrupted for commercial announcements or used for any purpose other than sustaining broadcasting.

iii) You may carry the cooperative or spot carrier programs on the same basis as regular sustaining programs or you may offer them for commercial sponsorship on terms and conditions specified by us at the time such programs are offered to you.

C. Network Station Compensation and Program Clearance

1. **Compensation.** Network Station Compensation ("Compensation") will be paid monthly during the term of this Agreement in accordance with Schedule A, minus any deductions for services ordered or authorized by Station. Notwithstanding anything to the contrary in this or any other agreement, in no event will Station be obligated to make any payments to ABC in excess of the amount that network owes to Station. This does not relieve Station of its obligation to make payments for: i) NewsOne or other charges outside of the basic NewsOne fees; ii) the financial contribution specified in NAP III; or iii) the Preemption Reimbursement described in Section 3.a below.
2. **Clearance Obligations.** With respect to the existing analog network service and the Primary Digital Feed, and subject only to the clearance exceptions set forth in subparagraph (a) below, the Preemption Basket defined in Section I.C.3. below, and to the Right to Reject limitations set forth in FCC Rules as referenced in Section V.D. below ("Right to Reject Rule"), Station shall clear in-pattern all ABC programs in all time periods currently scheduled by the Network. The parties agree to negotiate in good faith for the clearance of any programs that may be offered generally to ABC affiliates in time periods that are not currently programmed by

network. The parties agree to the following clearance exceptions:

(a) In the event that Network fails to offer first call rights to enough FCC mandated children's core educational programming ("core programming") to allow Station to meet its FCC core program requirement, then Stations' obligation to clear Network programs during the Saturday morning time period shall be reduced by the amount needed to allow Station to broadcast substitute core programming to replace that which is no longer being offered by the Network. ABC will designate the Network program(s) that Station may stop clearing in order to implement this adjustment. Station may also refuse to clear any programs that as delivered fail to comply with the FCC mandated limits on commercial content in children's programming.

3. **Preemptions.** Station shall have (20) separate one-half hour one-time only (OTO) Preemptions per calendar year (the "Preemption Basket"). All preemptions for any reason (except for breaking news or those based on unsuitable content), including failures to clear programs which are a part of your clearance commitment, as well as one-time-only preemptions of previously accepted programs shall be counted against the Preemption Basket except for (i) preemptions pursuant to the FCC's right to reject rule, (ii) preemptions for breaking news, telethons and parades for charitable or community causes, and OTO locally produced programs of local interest, (iii) preemptions of unsuitable content, (iv) preemptions that result from a Force Majeure event and will not be subject to the reimbursement rates even if they occur after the basket has been exhausted although no compensation will be earned for right to reject or any other preemptions. Preemptions counted against the Preemption Basket includes: (i) the failure to clear any program offered to Station that it is required to or has agreed to clear pursuant to this Agreement, and (ii) any failure to broadcast, whether an OTO or multiple time basis, an episode of a previously accepted program. A preemption of ten (10) minutes or more will be considered as a preemption of the entire half hour. Station must provide specific dates of all OTO Preemptions at least fourteen (14) days in advance and the requested dates must be approved by the Network in advance. Notice of preemptions pursuant to the Right to Reject shall be made

in compliance with Section D.1 below. Any preemption made pursuant to the Right to Reject Rule occurring after the Preemption Basket has been fully utilized in any given calendar year shall not be deemed to be a breach of this Agreement. The acceptance by Network of Station's offer to broadcast the preempted program at another date or time ("Makegoods") shall be considered by both parties in good faith and may earn reduced compensation or reduce the preemption reimbursement amount described below in an amount to be determined by the Network.

- a. **Preemption Reimbursement.** Station will promptly reimburse Network for non Right to Reject preemptions of Network programs in excess of the Preemption Basket in any given calendar year in an amount equal to the product of (i) the number of half hour preemptions, (ii) the Station's Hourly Network Reimbursement Rate (as set forth below), and (iii) the appropriate Reimbursement Matrix percentage set forth below. However, any bona fide Right to Reject preemptions are not subject to such reimbursement although no compensation will be earned for Right to Reject or any other preemptions.

Preemption Reimbursement Matrix

Prime	100%
Daytime	20%
News-GMA/Nightline	25%
News-WNT	60%
Latenight (non-news)	15%
Kids	10%
Weekend Sports	40%

Hourly Network Reimbursement Rate:

Anchorage [REDACTED]

- b. **Makegood Adjustments.** Makegood for preempted programming (i.e., clearance at another time) will be considered by both Station and Network in good faith. If the makegood is approved by ABC, any preemption reimbursement payment to ABC will be reduced by the value of the makegood as reasonable determined by ABC. At the time of the negotiation of the makegood it will be determined whether or not the preemption will count against the basket.

D. Failure to Clear Programs.

1. **Notice.** With respect to programs already accepted pursuant to the First Call Offer in Section I.B.1, Station shall give us prompt notice of any refusal to broadcast the program(s), rejection of the program(s) or substitution of different program(s) no later than fourteen (14) days prior to the air date of such programming, except where the nature of the substitute program or other cause for preemption under the Right to Reject Rule makes such notice impracticable (e.g., coverage of breaking news or other unscheduled events), in which case Station agrees to give us as much notice as is reasonable under the circumstances. Such notice shall include a statement of the reason(s) Station believes that a rejected or refused Network program is unsatisfactory, unsuitable or contrary to the public interest, and/or the reason why a substituted program is of greater local or national importance.
2. **First Call Termination - Unauthorized Preemptions.** In addition to all other remedies, we shall have the right, upon fourteen (14) days' notice, to terminate Station First Call Rights on any individual program or series of Network programs already accepted hereunder and withdraw all future episodes of that program or series of programs if one or more individual program episode(s) is pre-empted partially or in its entirety by you for any reason other than those set forth in Section V.D, below, or as a result of an OTO preemption allowable under your Preemption Basket.
3. **First Call Termination - Multiple Preemptions.** We shall also have the right, upon fourteen (14) days' notice, to terminate Station's First Call Rights concerning any program or series of Network programs already accepted hereunder and to withdraw all future episodes of that series if Station fails to clear in-pattern three (3) or more individual program episodes or if the program is otherwise pre-empted partially or in its entirety by Station in any consecutive thirteen (13) week period for any reason, whether or not such preemptions are for the reasons set forth in Section V.D. or as a result of an OTO preemption.

4. **First Call - Future Rights.** We reserve the right not to offer Station First Call Rights for the current and subsequent broadcast seasons on any Network program or series of Network programs as to which we have terminated Station's First Call Rights. Network may also refuse to offer Station First Call Rights for the current and subsequent seasons of a Network program or series of Network programs if Station has refused or failed to accept or to clear that program or series of programs.

E. Local News and NewsOne.

1. Station will continue to program at least one half-hour of locally produced news leading into ABC's evening news programs as well as late night programming. A failure to continue this schedule may, at ABC's option, result in a proportional reduction in local inventory, a reduction in the preemption basket, or termination of the agreement after ninety (90) days notice and an opportunity to cure.
2. Station further agrees to continue to subscribe to NewsOne or any replacement affiliate news service as well as Network News Service (NNS) for the term of this affiliation agreement. Annual payments will be based on the basic annual NewsOne fee and consistent with those of similar sized affiliate markets.

F. Promotion and Branding.

1. **Baseline Promotion Plan.** Station will join the Baseline Promotion Plan. Station will provide eleven (11) local commercial spots per weekday (positions and lengths illustrated below) for promotion of Network programming. Network shall designate the use of such spots. An illustrative initial designation of Network priorities is included below.

ABC Baseline Promotion Weekday Schedule:

Monday-Friday (PT)

5-7am:	2x (:15) supporting GMA
	1x (:15) supporting Prime
9am-4pm:	1x (:15) supporting The View
	2x (:15) supporting Prime

4-7pm: 1x (:15) supporting News
 2x (:15) supporting Prime

7-8pm: 1x (:30) supporting Prime

11pm: 1x (:15) supporting Latenight

Saturday/Sunday (PT)

9am-7pm: 3x (:15) supporting Prime
 (9am-6pm - Sun) 1x (:15) supporting News
 7-8pm: 1x (:30) supporting Prime
 (6-7pm - Sun)

2. **Network Availabilities.** In return for complete participation in the Baseline Promotion Plan, Station will have access to four(4) additional thirty second (:30) primetime spots per week, as well as the Network's authorization to convert seven (7) current thirty second (:30)- local newsbrief opportunities in primetime to local sale. These spots are currently associated with Station's participation to the Affiliate Promotion Swap ("APS") plan.
3. **Cross Promotion.** The cross-promotion provisions contained in paragraph V.3 of N/AP III (referenced in Section V.A. below) will be extended for the entire Term of this Agreement.
4. **Branding.** Station agrees to discuss co-branding opportunities in good faith with ABC in order to more closely link the Station with the network's identity. Co-branding encompasses, but is not limited to, the inclusion of the ABC corporate logo in the stations' local identification, and encompasses all on-air (graphics, voice over) and off-air (website, print, cable, radio, outdoor, etc.) promotion. Usage of the ABC corporate logo and station logo must be consistent with Network and Station creative guidelines and specifications. Stations and Network will work in good faith to explore and implement branding opportunities of mutual benefit.

G. **Program Delivery.** By means satisfactory to us, we will arrange, at our own expense, for programs to be delivered to Station. We may require that Station purchase the Network approved reception devices, hardware and software, necessary to receive ABC

network programs for broadcast under this Agreement in accordance with Network's then current network-signal reception equipment standards, which standards will be reasonable and consistent with those applicable to Network affiliates generally.

H. Digital Program Delivery.

1. In consideration for the benefits of this Agreement, Station will become ABC's primary affiliate, and ABC will become Stations' network affiliate, with respect to the programming that ABC distributes in a digital format as a television network on a national basis. This obligation will include the simulcast feed of the analog service, or its equivalent in the event that the Station is required to relinquish its analog spectrum (the "Primary Digital Feed"). In addition, Station will have the first call to the over-the-air broadcast of any additional channels of television programming contained in the Network's digital feed on the same terms and conditions that are offered generally to other affiliates. In the event that the Station declines or is unable to accept the first call offer for an additional channel for any reason, then ABC shall be free to distribute that channel in the Station's community of license by any means without being limited by the terms of this or any other agreement.
2. Subject to the exceptions and limitations to the Clearance Requirements of paragraph I.C.2, Stations agree to transmit on their Primary DTV channel the Primary Digital Feed of all ABC Network programs, including HDTV programs and Program Related Material, in a technical format consistent with ATSC standards, without alteration, modification, insertion, degradation or down conversion of any type.
3. Station shall provide Network with a reasonable written notice of any intended use of the Residual Digital Spectrum. Stations and Network agree to negotiate in good faith with respect to acceptance and clearance by Station of any alternative uses for the Residual Digital Spectrum that Network may then offer to Station. This is a notice provision only and does not create an option, a right of first negotiation or of last negotiation in favor of either party.

I. Commercial Inventory. For so long as they are otherwise in compliance with the Agreements, Station will have a Guaranteed

Primetime Inventory Level. Subject to adjustment as described below, the Guaranteed Primetime Inventory Level shall be defined as an average of 50 minutes and 15 seconds per week and through 2005 when Monday Night Football is telecast the average commercial time shall be 51 minutes per week.

The Guaranteed Primetime Inventory Level and the inventory in other dayparts inventory assumes: (a) full clearance of the Network schedule, (b) the amount of network Primetime programming scheduled as of the date of this Agreement; and (c) the continued live, in-pattern clearance of Nightline. The number of units comprising the Guaranteed Local Inventory Level shall be subject to adjustment for: (a) the number of local units in Network programming that is not cleared by the Station; (b) the number of local units that are lost as a result of sustaining programming, or special event programming, run by the Network in lieu of Network programming that would otherwise bear a more traditional commercial load; (c) the number of local units lost as result of a reduction in the amount of Network programming that formed the basis for the inventory calculation above; and (d) failure to clear or the cancellation of Nightline (decrease of four thirty-second primetime incentive units per week). In the event that ABC does not offer the Stations their Guaranteed Inventory Level (after considering adjustments outlined above), ABC shall, at its option, make the Station whole for the then economic value to the station of any shortfall by, at its option: (a) providing other local commercial availabilities in comparable time periods of such value, or (b) adjusting the station's compensation by that amount, or (c) a combination of (a) and (b) that would make the station whole.

Station shall have the right to expand the length of network station breaks (mid or end) within the primetime hours nightly to a maximum of two and a half minutes (2 ½) throughout the term of this Affiliation Agreement. In all other day parts, your Station shall have the right to expand the length of any network station break (mid or end) to a maximum of two (2) minutes. Your Station's right to expand the length of network station breaks is limited by and conditioned on the following: (a) the expanded portion of the network station break shall include not more than thirty (30) seconds of non-commercial material; (b) there shall be no expansion of network station breaks on any network program which your station telecasts live directly from the network satellite feed. The placement of this additional inventory will be mutually agreed upon by the station and ABC on an annual basis. This additional local inventory will be reduced upon sixty (60) days written notice when and if CBS and NBC network affiliates also reduce similar local inventory in the state of Alaska.

II. TERM

III. NETWORK NON-DUPLICATION PROTECTION/CABLE RETRANSMISSION

A. Non-Duplication. Station shall be entitled to network non-duplication protection, as defined by Section 76.92 of the FCC rules, as follows:

1. The geographic zone of network non-duplication protection shall be the Designated Market Area ("DMA") (as defined by Nielsen) in which Station is located, or any lesser zone pursuant to any geographic restrictions contained in the FCC rules and regulations, now or as subsequently modified.
2. Network non-duplication protection shall extend only to all Network programs that Station clears in accordance with this Agreement. Protection shall not extend to individually pre-empted programs of an otherwise cleared series or programs that Station fails to clear.
3. Network non-duplication protection for Network programs that Station clears in accordance with this Agreement shall be effective during the live time period and the subsequent seven days.
4. You are under no obligation to exercise in whole or in part the network non-duplication rights granted under this Agreement.

B. Cable Retransmission. With respect to the existing analog Network service and the Primary Digital Feed, you are authorized to grant retransmission consent to cable systems located within the entire state of Alaska. Network shall receive none of the cash the Station may receive in exchange for retransmission consent.

IV. CUT-IN ANNOUNCEMENTS AND LOCAL TAG SERVICES

A. Cut-In Announcements. "Cut-in announcements," as used herein, shall mean the substitution of a special commercial or

promotional announcement in place of a regularly scheduled Network commercial.

1. Upon at least twenty-four (24) hours' notice, you shall, at our request, furnish such personnel and equipment as may be necessary to (a) broadcast cut-in announcements from Station alone, or (b) originate from Station cut-in announcements to one or more other stations, without regard to whether or not Station is requested to broadcast said cut-in announcement(s). Notwithstanding anything herein to the contrary, you may refuse to broadcast any such cut-in announcement in the community to which Station is licensed by the FCC if, in your opinion, it does not serve in the public interest, convenience or necessity, but you shall nevertheless furnish such personnel and equipment as may be necessary to originate such cut-in announcement(s) from Station to one or more other Network-affiliated stations.
2. Cut-in announcements shall be broadcast only when authorized by us and then only in accordance with the instructions furnished to you. You will be supplied, as promptly as possible, with the material and instructions for these announcements.
3. For each program during which such cut-in announcements are included, if we have requested your assistance we shall pay you in accordance with the applicable table set forth in Schedule B hereto, unless the cut-in involves the substitution of Station's local commercial, in which case no additional compensation or reimbursement will be paid to the Station.

B. Local Tag Services. "Local tag announcements," as used herein, shall mean a visual commercial announcement, made by you on behalf of a local dealer of a Network advertiser, not exceeding ten (10) seconds of a one-minute Network commercial announcement or five (5) seconds of a thirty-second Network commercial announcement projected by means of a slide and not utilizing more than two (2) slides.

1. Upon at least twenty-four (24) hours' notice, you shall, at our request, furnish personnel and equipment as may be necessary to broadcast local tag announcements.
2. Local tag announcements shall be broadcast in accordance with our instructions. The Network advertiser shall

supply to you or purchase from you, as promptly as possible, the slide(s) for each local tag announcement. local tag announcements shall not be accompanied by oral announcements unless the Network advertiser shall make direct requests of you therefore and shall have assumed sole responsibility for payment of such oral announcements.

3. For each program during which such local tag announcements are included, if we have requested your assistance we shall pay you in accordance with the applicable table set forth in Schedule B hereto.

V. GENERAL

A. Network/Affiliate Plan. The side letter amendment dated October 12, 2004, attached hereto as Schedule C ("N/AP III") is incorporated herein and made a part of this Agreement.

B. Program Substitution. We may at any time, upon notice to Station, substitute for any scheduled Network program another Network program, except that if such other Network program in our judgment involves a special event of public interest or importance, no such notice is required.

C. Program Cancellation. Nothing contained in this Agreement shall prevent or hinder us, nor shall it be construed to prevent or hinder us, at any time upon notice to Station as soon as practicable, from canceling one or more Network programs, whether sponsored or sustaining.

D. Right to Reject. With respect to Network programs offered or already accepted pursuant to this Agreement, nothing herein contained shall be construed to prevent or hinder Station from exercising its rights under FCC rules to:

1. Reject or refuse network programs which Station reasonably believe to be unsatisfactory, unsuitable or contrary to the public interest; or
2. Substitute a program, which in Station's good faith opinion, is of greater local or national importance.

E. Carriage Reports. Station will submit to us in writing, upon forms provided by us for that purpose, such reports covering

Network programs broadcast by Station as ABC may reasonably request from time to time. To verify your carriage of Network commercial announcements, identifications and program promotional material, we may require delivery by Station, within five (5) days following our request, copies of your official station logs, air checks or broadcast tapes, and we may install at Station, monitoring equipment and attendant software that monitors your Station's broadcast signal.

F. Force Majeure. Neither Station nor we shall incur any liability hereunder because of our failure to deliver, or Station's failure to broadcast, any or all Network programs due to:

1. Failure of facilities;
2. Labor disputes; or
3. Causes beyond the control of the party so failing to deliver or broadcast.

G. Transmitter Modifications. Station agrees to notify us of any application made to the FCC to modify Station's transmitter location, power, frequency or hours of operation within ten (10) days following the filing of such application. In the event that the transmitter location, power, frequency or hours of operation of Station are changed at any time so that Station is of less value to us as a Network outlet than it is as of the effective date of this Agreement including, but not limited to, as a result of additional overlap of Station's broadcast signal with that of another ABC affiliate, we will have the right to terminate this Agreement upon thirty (30) days' advance written notice.

H. Time Brokerage/LMAs. Except upon our prior written consent, which consent may be withheld for any reason, you agree that Station will not enter into any local marketing, shared services, time brokerage or other similar agreement whereby another party or entity programs the Station, manages it or otherwise operates key Station functions. If you or Station enters into such an agreement without our written consent, we shall have the right to terminate this Agreement upon fourteen(14) days' advance written notice.

I. Assignment. The assignment provision of N/AP III, the October 12, 2004 amendment attached as Schedule C, will govern any proposed assignments or transfers of this Agreement during the entire Term of this Agreement.

J. Limited Transmission Rights. Your and Station's rights under this Agreement are limited to the First Call Rights to Network Television Programs pursuant to the terms hereof. Except with our prior written consent and except upon such terms and conditions as we may impose, you agree not to authorize, cause, permit or enable the use of any program which we supply to you hereunder for any purpose other than broadcasting by Station pursuant to the terms hereof, in the community in which Station is licensed by the FCC, for over the air reception by the general public in places to which no admission is charged. You agree when you are authorized to record a program for subsequent broadcast that the recording will be broadcast not more than once in its entirety and, unless otherwise required by law, will be erased or deleted from your system within six (6) hours following use. All rights not specifically granted to you by this Agreement shall be retained by Network.

K. Rebroadcast/Recording Restrictions. Except with our prior written consent (or as provided in the Cable Retransmission Section III.B above) and upon such terms and conditions as we may impose, which consent may be withheld for any reason, you and Station agree not to authorize, cause, permit or enable (1) any recording on film, tape or otherwise to be made or broadcast of a program which has been, or is being, broadcast on the Network; or (2) a rebroadcast or a retransmission to be made of the broadcast transmission of Station during any hours when Station is broadcasting a program provided by Network.

L. Promotion Restrictions. With respect to any and all promotional material issued by Station or under your direction or control, you agree to abide by any and all restrictions of which we advise you pertaining to the promotion of a Network program(s) scheduled to be broadcast by Station in its community, including, without limitation, on-the-air promotion, billboards, and newspaper or other printed advertisements, announcements or promotions.

M. License Maintenance. You agree to maintain for Station such licenses, including performing rights licenses as now are or hereafter may be in general use by television broadcasting stations and necessary for you to broadcast the television programs which we furnish to you hereunder. Network will continue to clear all music in the repertory of ASCAP and of BMI used in our network programs, thereby licensing the broadcasting of such music in such programs over Station. You will be responsible for all music license requirements for any commercial or other material inserted by you within or adjacent to our network programs in accordance with this Agreement.

N. Entire Agreement; Inducements; Waiver. No inducements, representations or warranties except as specifically set forth herein have been made by any of the parties to this Agreement. This Agreement constitutes the entire agreement and understanding between the parties hereto and no provision thereof shall be changed or modified, nor shall this Agreement be discharged in whole or in part, except by an agreement in writing, signed by the party against whom the change, modification or discharge is claimed or sought to be enforced; nor shall any waiver of any of the conditions or provisions of this Agreement be effective and binding unless such waiver shall be in writing and signed by the party against whom the waiver is asserted, and no waiver of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or of any other provision.

O. Notices. All notices, demands, requests or other communications which may be or are required to be given or made by ABC or you pursuant to this Agreement (except for our program offers and your notices of acceptance or rejection, if required, of such offers and any other program information or program administration communications) shall be delivered (postage or fee prepaid) by first-class mail, express mail, express delivery service or by facsimile transmission addressed as follows:

1. If to you:

Michael Granados
Chief Executive Officer
~~Television Station Group~~ *SMITH MEDIA, LLC*
~~2002 Blackhawk Oaks~~ *8000 IH 10 WEST, SUITE #600*
San Antonio, TX 78230

Phone: (210) 386-9110 Fax: (210) 492-9366

with a copy (which shall not constitute notice) to:

Ian Guthrie
Chief Financial Officer
~~Television Station Group~~ *SMITH MEDIA, LLC*
1215 Cole Street
St. Louis, MO 63106

Phone: (314) 853-7736 Fax: (314) 259-5532

2. If to ABC:

John Rouse
Senior Vice President
Affiliate Relations
ABC Television Network
500 South Buena Vista St.
Burbank, CA 91521-4408

Phone: 818-460-7550 Fax: 818-460-5234

with a copy (which shall not constitute notice) to:

John Zucker, Esq.
ABC, Inc.
Law & Regulation Department
77 West 66th Street, 16th Floor
New York, NY 10023-6298

Phone: 212-456-6222 Fax: 212-456-6202

or to such other person, address or facsimile number as you or ABC may designate by written notice. Any notice under this Agreement shall be deemed duly received i) on the first business day following the date such notice was deposited with express mail or an express delivery service ii) on the third business day following the date of mailing whether or not accepted by the addressee, or iii) at the time of facsimile transmission with a confirmation of receipt, as the case may be.

P. Choice of Law. This Agreement and all questions relating to its validity, interpretation, performance, and enforcement (including, without limitation, provisions concerning limitations of action), shall be governed by and construed in accordance with the laws of the State of New York, without regard to the principles of conflict-of-laws thereof. For the purposes of any suit, action or proceeding involving this Agreement or its performance, you hereby submit to the jurisdiction of all Federal and State courts sitting in the County of New York and agree that such courts shall have exclusive jurisdiction over any suit, action or proceeding involving this Agreement or its performance.

Q. Termination Effect. Upon termination of this Agreement, the consent theretofore granted to broadcast our Network programs or use ABC logos or trademarks shall be deemed immediately withdrawn and you shall have no further rights of any nature whatsoever in such programs, logos or trademarks.

R. Unique Services. You acknowledge that, in view of the uniqueness of the plan of network cooperation set forth in this Agreement, in the event that your obligations under this Agreement are not performed in accordance with its terms, Network would not have an adequate remedy at law and therefore agree that Network shall be entitled to specific performance of the terms hereof in addition to any other remedy to which it may be entitled at law or in equity.

S. Indemnification. You and Station agree to indemnify and hold Network and its parent corporation, subsidiaries and their respective officers, directors, agents and employees, successors and assigns harmless from and against any and all claims made against us and all damages, liabilities, costs and expenses incurred as a result of such claims, including reasonable attorney's fees, arising out of the broadcast by Network of any material supplied by you to Network in accordance with this Agreement, and we agree to indemnify and hold you harmless from and against any and all claims made against you and all damages, liabilities, costs and expenses incurred as a result of such claims, including reasonable attorney's fees, arising out of the broadcast by you of any material provided by Network to you in accordance with this Agreement. It is understood that the foregoing indemnities shall apply only with respect to materials that are broadcast without change from the form and content in which such materials were originally provided and in strict conformance to any instructions or limitations given by the party providing the material. Each party will notify the other promptly of any litigation or claim to which such indemnity applies and will cooperate fully in the defense at the other party's request. The provisions of this paragraph V S. shall survive the expiration or earlier termination of this Agreement.

T. No Joint Venture. Nothing in this Agreement shall create any partnership, association, joint venture, fiduciary or agency relationship between Network and you or Station.

U. Headings. The headings herein are for convenience purposes only and shall not create or modify the meanings of any term or provision of this Agreement.

If, after examination, you find that the arrangement herein proposed is satisfactory to you, please indicate your acceptance by signing the copy of this Agreement enclosed for that purpose and returning such executed copy to us.

Very sincerely yours,

AMERICAN BROADCASTING COMPANIES, INC.

By: _____

Accepted this _____ day of

_____, 2006

Licensee: KIMO-TV/DT

By: SANITA MEDIA LICENSE HOLDINGS

Name: Michael Hernandez

Title: CEO

SCHEDULE A

STATION COMPENSATION

1. Your Network station rate shall be [REDACTED] during calendar year 2005, [REDACTED] for 2006, [REDACTED] for 2007, [REDACTED] for 2008 and will be reduced to [REDACTED] for the remaining Term of this Agreement but will be set at [REDACTED] for the purposes of Schedule B. Compensation will be reduced upon ninety (90) days notice, if network cancels a program and returns the time period to Station for it to program. The compensation reduction will be calculated by using the station rate multiplied by the applicable time period percentage. Station's clearance of network programs in accordance with this Agreement should cause Station to earn [REDACTED] in annual compensation in 2006, [REDACTED] in 2007 and [REDACTED] in 2008. These amounts are subject to adjustment for preemptions, failures to clear programs, changes in the network schedule and other adjustments as provided in this Agreement.
2. Except for the programs set forth in paragraph 3 herein below, the amount of compensation attributable to Network sponsored programs shall be the amount resulting from multiplying the following:
 - (a) Your Network station rate; by
 - (b) the percentage set forth in the table below opposite such Live Time Period (as hereinafter defined); by
 - (c) the fraction of an hour substantially occupied by such program or portion thereof; by
 - (d) the fraction of the aggregate length of all Commercial Availabilities during such program or portion thereof occupied by Network Commercial Announcements.

"Live Time Period," as used herein, means the time period or periods as specified by us in our initial offer of a network program for the broadcast of such program over Station in the relevant time zone.

"Commercial Availability," as used herein, means a period of time made available by us during a Network

sponsored program for one or more Network commercial announcements.

"Network Commercial Announcement," as used herein, means a commercial announcement broadcast over Station during a commercial availability and paid for by or on behalf of one or more of our Network advertisers, not including, however, announcements consisting of billboards, credits, public service announcements, promotional announcements, and announcements required by law.

With respect to each such Network sponsored program which is broadcast by Station with our consent during a time period other than the live time period therefore, the amount of compensation attributable to such program shall be the same compensation as the live time period, except that:

- (i) if the percentage set forth in the Table below opposite the time period during which Station broadcast such program is less than that set forth opposite such live time period, then the attributable compensation shall be the same as the time period during which Station broadcast such program.

3. We reserve the right to determine on a case-by-case basis the amount of compensation, if any, attributable to:

- (i) Sports programs;
- (ii) special events programs (including, but not limited to, special news programs, awards programs, entertainment specials and miniseries);
- (iii) programs for which we specified a live time period, which time period straddles any of the time period categories in the table in paragraph (a) above; and
- (iv) any other programs which we may designate from time to time.

TABLEPACIFICMONDAY through FRIDAY

2:00 AM	to	5:00 AM	-	0.0%
5:00 AM	to	10:00 AM	-	7.0%
10:00 AM	to	12:00 PM	-	16.30%
12:00 PM	to	3:00 PM	-	6.0%
3:00 PM	to	8:00 PM	-	10.0%
8:00 PM	to	11:00 PM	-	30.0%
11:00 PM	to	2:00 AM	-	15.0%

SATURDAY

2:00 AM	to	6:00 AM	-	0.0%
6:00 AM	to	8:00 AM	-	5.0%
8:00 AM	to	2:00 PM	-	8.0%
2:00 PM	to	6:00 PM	-	15.0%
6:00 PM	to	8:00 PM	-	10.0%
8:00 PM	to	11:00 PM	-	30.0%
11:00 PM	to	2:00 AM	-	15.0%

SUNDAY

2:00 AM	to	6:00 AM	-	0.0%
6:00 AM	to	8:00 AM	-	5.0%
8:00 AM	to	2:00 PM	-	6.0%
2:00 PM	to	5:00 PM	-	15.0%
5:00 PM	to	7:00 PM	-	10.0%
7:00 PM	to	11:00 PM	-	30.0%
11:00 PM	to	2:00 AM	-	15.0%

All times in this paragraph are expressed in terms of Station's then current local time.

SCHEDULE B

COMPENSATION FOR CUT-IN AND LOCAL TAG ANNOUNCEMENT(S)

A. CUT-IN ANNOUNCEMENTS

1. For each local Cut-In Announcement you broadcast within a program, which program is broadcast during the time period(s) specified by us in our initial offer for such program, we will pay you the amount resulting from multiplying your Network station rate (set forth in Schedule A of this Agreement) by the percentage for Cut-In Announcement(s) set forth in the applicable Table in Section C below opposite such applicable time period.
2. For each local Cut-In Announcement you broadcast within a program, which program is broadcast by you with our consent during a time period other than that specified by us in our initial offer of such program, we will pay you an amount as set forth in Section A.I. above, except that:
 - (a) if the percentage set forth in the applicable Table in Section C below for Cut-In Announcement(s) opposite the time period during which Station actually broadcast the program in which you broadcast or originated such Cut-In Announcement(s) is less than that set forth opposite the applicable time period specified in our initial offer of such program, then we will pay you for each Cut-In Announcement(s) on the basis of the time period during which Station actually broadcast such program.
3. In the event that we offer you a program for broadcast in a time period which straddles any of the time period categories set forth in the applicable Table in Section C below, and you broadcast such program within which you also broadcast or originate one or more Cut-In Announcement(s), we will pay you such amounts as we and you shall have agreed upon prior to your broadcast or origination of such Cut-In Announcement(s).

B. LOCAL TAG ANNOUNCEMENTS

1. For each Local Tag Announcement you broadcast within a program, which program is broadcast during the time period(s) specified by us in our initial offer for such program, we will pay you the amount resulting from multiplying your Network station rate set forth in Schedule A of this Agreement) by the percentage for each Local Tag Announcement set forth in the applicable Table in Section C below opposite such applicable time period.
2. For each Local Tag Announcement you broadcast within a program, which program is broadcast by you with our consent during a time period other than that specified by us in our initial offer of such program, we will pay you an amount as set forth in Section B.I. above, except that:
 - (a) if the percentage set forth in the applicable Table in Section C below for each Local Tag Announcement opposite the time period during which Station actually broadcast the program in which you broadcast such Local Tag Announcement is less than that set forth opposite the applicable time period specified in our initial offer of such program, then we will pay you for each Local Tag Announcement on the basis of the time period during which Station actually broadcast such program.
3. In the event that we offer you a program for broadcast in a time period which straddles any of the time period categories set forth in the applicable Table in Section C below, and you broadcast such program within which you also broadcast one or more Local Tag Announcement(s), we will pay you such amounts as we and you shall have agreed upon prior to your broadcast of such Local Tag Announcement(s).

C. COMPENSATION TABLE FOR CUT-IN OR LOCAL TAG ANNOUNCEMENTSPACIFICCut-In Announcements

Monday through Sunday	-	6:00 PM to 11:00 PM - 18.75%
All other times	-	7.50%

Local Tag Announcements

Monday through Sunday	-	6:00 PM to 11:00 PM - 9.38%
All other times	-	3.75%

All times in this paragraph are expressed in terms of Station's then current local time.

End of Schedule B

- D. Term: The provisions of this Section I (Inventory Swap/NFL Contribution) shall have a term of 4 years beginning August 1, 2004. However, in the event that ABC does not renew the NFL Monday Night Football package for the 2006 and 2007 NFL seasons, then the term shall expire on July 31, 2006 and all of its provisions will terminate on that date. In the event that ABC will not renew the NFL Monday Night Football package, the Network will give notice of that development by December 31, 2005, or upon Network's actual knowledge that the NFL Monday Night Football package will not be renewed, whichever occurs later.
- E. Guarantees Against Dilution During the Term of the Inventory Swap/NFL Contribution Plan:
1. The Network agrees that it will afford your station commercial units of the same number and length and with substantially the same placement as during the 1998-1999 Network television season. The Network will also add the two (2) units per hour of inventory for your station to auto racing, golf and horse racing as set out in the body of Pat Fili's June 4, 1999 letter. (attached hereto as exhibit A).
 2. Network agrees that apart from the program categories listed in the body of Pat Fili's June 4, 1999 letter, and except as might arise in the enforcement or negotiation of individual contracts, Network will continue to offer your station the same cash compensation currently offered.
 3. Your station guarantees that it will maintain at least its current level of clearances and time period scheduling of "The View" through July 31, 2006 and "Jimmy Kimmel Live" through July 31, 2006.

II. SOAP CHANNEL PARTICIPATION

A. Soap Channel Cable Service Revenue Sharing:

1. Your station, along with other affiliates accepting the terms set forth herein (including ABC Owned Stations) will have an economic participation in The Soap Channel Cable Service by receiving one of the following annual distributions, whichever is greater:
 - a. [REDACTED] month per revenue-generating Soap Channel subscriber in the affiliate's market.

- b. 15% of total annual subscriber revenue generated in the affiliate's market capped at [REDACTED] per revenue-generating sub/month.
 - c. 10% of total subscriber revenue generated in the affiliate's market, without a cap.
 - d. 15% of annual net profits generated in the affiliate's market.
- 2. The term "market" means your station's DMA. Revenues generated in a DMA adjacent to that of an ABC affiliate but in which no ABC affiliated station exists shall be credited to an ABC station or stations outside that DMA based upon their respective viewing shares in that DMA.
- 3. The term "cable service" includes the distribution of programming by any video delivery system now known or hereafter devised, including, but not limited to, television stations, satellite, wireless, telephone and cable systems.
- 4. The terms "revenue-generating Soap Channel subscriber" and "subscriber revenue" mean the subscriber fee paid by the cable service, without regard to launch fees.
- 5. The term "net profits" (as used in this section) means gross revenue less any costs incurred by The Soap Channel cable service, subject to independent audit.
- 6. The term "Soap Channel Cable Service" means that programming service that was announced by ABC on April 8, 1999. If that service is partially owned by ABC or is merged with the Soap Channel announced by Sony, the affiliate participation in annual net profits as set out in paragraph II. A.(1)(d) will be diluted in the same proportion as ABC's interest in the service. Affiliate participation under the formula set out in paragraph II. A.(1)(a)-(c) will not be subject to dilution or reduction.

B. Daytime Clearances:

Your station shall maintain current level and time period scheduling of clearances for the following ABC Soaps: General Hospital, All My Children, and One Life To Live, or for any replacement soap opera programming.

- C. Exclusivity: ABC has immediate repurposing rights for its soaps for the purposes and as provided in this section II for the term stated in paragraph D below.
- D. Term: The term of this Section II shall be for the duration of each affiliate's existing affiliation agreement as of October 2, 2002 and for the term of the next renewal of that agreement.

III. EXCLUSIVITY

A. Entertainment:

1. Series: ABC will not repurpose any Primetime Entertainment series episode within 180 days of the end of its original airing on the Network or the expiration of that television season (Sept.-Sept.), whichever is earlier. (In no event will ABC repurpose any such series episode within 90 days of the end of its original airing on the Network.)
2. Made for TV Movies, Mini-Series and Specials: ABC will not repurpose within 60 days of the end of original airing on the Network.
3. Awards shows and other timely specials: ABC will not repurpose within 48 hours of the end of the original Network scheduled airing in the Eastern Time Zone.
4. The above notwithstanding, ABC will be free to repurpose up to 25% of the Primetime Entertainment schedule (measured on an annual basis) without any restrictions. ABC will also be free to distribute DVD's of a previous season's primetime entertainment programs 180 days from the end of the program's original airing or 30 days before the start of the next season, whichever is earlier, without those DVD's counting against the 25% cap described in the preceding sentence.

B. Sports:

1. Programs: ABC will not repurpose any sports program within three (3) hours of the end of its original in-pattern Network scheduled airing in that time zone, (including any post-game coverage), but in no event may the sports program be repurposed in your market prior to the conclusion of your late local news or 11:35 p.m. Pacific Time Zone, whichever is earlier.
2. Excerpts: ABC will not repurpose excerpts (defined as 40% or less) of any Sports program within 4 hours of the end of its original airing on the Network.
3. Highlights: ABC will continue to be free to use highlights drawn from any Sports program anytime after its original airing on the Network. The term "highlight" is defined by reference to custom and practice within the broadcast industry.

C. News:

1. ABC has immediate and unrestricted repurposing rights for breaking news coverage unless it has preempted Network programming for such coverage in which case it will have unrestricted repurposing rights immediately following the preemption of Network programming for such coverage.
2. ABC will not repurpose any "hard" News program (e.g., WNT & Nightline) within four (4) hours of the end of its original in-pattern Network scheduled airing in that time zone, but in no event will ABC be restricted from repurposing a program later than four hours after its original in-pattern Network scheduled airing in the Pacific Time Zone. ABC will not repurpose any "timely" News program (e.g., GMA and Up Close) within two (2) hours of the end of its original in-pattern Network scheduled airing in that time zone, but in no event will ABC be restricted from repurposing a program later than two hours after the end of its original in-pattern Network scheduled airing in the Pacific Time Zone. Upon request by ABC, affiliates will not repurpose in the same time period in which ABC is airing "hard" News any News program content that has been provided by ABC.

3. ABC will not repurpose any "soft" News program (e.g., Newsmagazines) in its entirety within 60 days of the end of its original airing on the Network. ABC may repurpose excerpts of any Newsmagazine program within 60 days after the end of its original airing on the Network if the new program does not contain more than 50% of any one original Newsmagazine program and the original Newsmagazine program titles are not used unless modified (e.g., "Best of 20/20").

D. Daytime:

1. ABC has immediate and unrestricted repurposing right for its soaps as provided for herein. ABC will limit its repurposing of its soaps to the Soap Channel Cable Service unless and until the launch of such channel fails. In the event that ABC repurposes its soaps apart from the Soap Channel Cable Service, your station will be entitled to an economic participation from such repurposing by receiving an annual distribution based on 15% of annual net profits generated by such repurposing in your station's market. For the purposes of this paragraph only "net profits" means gross revenue less any direct out of pocket costs incurred by ABC in repurposing its soaps. The term "direct out of pocket costs" means amounts paid by ABC to third parties specifically and solely for the repurposing of the soap operas (e.g. third party participations, residuals, rights clearance costs and the like). The term excludes amounts paid to Disney/ABC, any of their respective subsidiaries or any of their employees, save residuals or third party participations that may be owed to such employees. The calculation of net profits as set out in this paragraph will be subject to independent audit. The provision of this paragraph related to ABC's repurposing soaps apart from a Soap Channel Cable Service and the right of your station to an economic participation in such repurposing shall be subject to the term limitations set out in paragraph E below.

2. ABC will not repurpose "The View" or any replacement programming referenced in subsection II. B. above, that is not a soap opera, within four (4) hours after the end of the program's original in-pattern Network scheduled airing in that time zone; however, in no event will ABC be restricted from repurposing a program four hours after the end of its original in-pattern Network scheduled airing in the Pacific Time Zone.

- E. Term: The term of the provisions of this Section III shall be coterminous with the term of Section I (the Inventory Swap/NFL Contribution Plan) of this Amendment and will terminate on the same date as Section I if ABC does not renew the NFL Monday Night Football package for the 2006 and 2007 NFL seasons.

IV. FURTHER FLEXIBILITY

The parties recognize that ABC may wish to repurpose certain programming in a manner that is at variance with the limitations set forth above. Your station authorizes the Network's Affiliate Board to act fully on your behalf to accept or reject ABC's requests for such a variance and agrees that neither the Affiliate Board nor those acting on its behalf will be liable to you for the decisions it makes to accept or reject a variance. The Affiliate Board will be required to meet with ABC promptly upon receiving a request for such a variance, and will not act unreasonably in withholding its approval.

V. MISCELLANEOUS

1. The geographical scope of exclusivity shall be your station's DMA or any lesser area as may be required by the FCC under existing rules.
2. The exclusivity provisions prohibit repurposing by ABC on any electronic video delivery platform now known or hereafter devised, including, but not limited to over the air broadcast, cable television, satellite, telephone, wireless, point to point microwave, MMDS, or the internet. For the purposes of NAP III, the terms "repurpose" and "repurposing" shall mean a presentation of an ABC Television Network program simultaneously with or subsequent to the airing of that program on the Network. Subject to the provisions of Sections III (B)(2), III(B)(3), and III(C)(3) which provisions will continue to govern in those specific

instances, a program that incorporates some, but not all of the content of an ABC Television Network program will not be considered repurposing unless such program substantially replicates the ABC Television Program from which it derives. Without limiting the provisions of this paragraph, the terms "without restriction" and "unrestricted" as used elsewhere herein do not rescind or modify the "first call" provisions of the affiliation agreement.

3. ABC agrees to be limited to the following parameters with respect to the cross-promotional spots it airs with respect to any other network's programming ("other network programming") on the ABC Television Network. The limitations on ABC do not apply to commercial spots purchased by another network provided that such network is not owned by, controlled by, or under common control with ABC and such spots do not contain references to any or all of a specific day (e.g., Monday, or Mondays) or date (e.g., September 13) or time (e.g., 9 p.m.). (1) ABC will be free to promote SoapNet without restrictions. (2) In its sports programming, ABC will be free to air promotional spots for ESPN programming using references to any or all of a specific day, or date, or time (as defined above), provided that such promotions are limited to up to 2 spots (either pre-produced or drop-ins) in each hour. (3) In addition to the ESPN and SoapNet promotional spots referenced above, ABC will be free to air in the aggregate in any given week up to 50 cross-promotional spots for "other network programming" without any restriction save the following: no more than 10 may contain references to any or all of a specific day, date or time (as defined above). Affiliate stations will be notified about the positions of these specific day, date, and/or time spots prior to 48 hours of air (and by Thursday 3 p.m. for any spot scheduled to air the following Saturday and Sunday). Those that elect to do so may substitute alternative promotional announcements provided and designated by ABC in these positions. If ABC fails to deliver such notification for 2 or more of these specific days, date and/or time spots in one week (Monday-Sunday), then ABC will not air any of the above noted allotment of these 10 specific day, date and/or time spots during the following week. This paragraph will remain in effect for the term of Section I of this amendment.
4. If comparable side letter amendments are accepted by the requisite number of affiliates, then as to those accepting affiliates ABC agrees not to implement, during the term of Section I of this amendment, the measures outlined in the attachment to Pat Fili's June 4, 1999 entitled "1999-2000 Season Format Adjustments", (attached hereto as exhibit A) except the compensation reduction

outlined in the body of that letter which will be implemented as to all affiliates. With respect to any affiliates who do not accept such a comparable side letter agreement, ABC reserves all of its rights including the measures outlined in the attachment to the letter.

5. If ABC should desire to program or create a channel that is designed to repurpose a significant portion of any class of ABC Network programming that involves the creation of an asset, ABC agrees to enter into good faith negotiations about affiliate financial participation in such asset but ABC shall be under no legally enforceable obligation to come to agreement with affiliates about any such participation. This paragraph shall remain in effect during the term of Section II of this amendment.
6. In the event that your station's existing affiliation agreement imposes greater clearance obligations than set forth herein, those clearance obligations will continue to apply.
7. The provisions of your station's existing affiliation agreement relating to the application of FCC rules to clearance commitments will continue to apply.
8. The assurances contained in Alex Wallau's letters of June 7 and June 28, 2004 to all affiliates (attached hereto as exhibits B and C), which extended the term of the NAP II provisions concerning music license fees, assignment, promotion indexing, local news quality and ABC's purchase of a television station in your market, will continue, at a minimum, during the term of affiliation agreements that were in effect as of October 2, 2002 and during the term of the next renewal of those agreements.

VI. ASSIGNMENT

The provisions set forth in this Section VI will terminate on July 31, 2008, and unless you notify us in writing to the contrary, will, until such date, substitute for the terms of your affiliation agreement related to the sale or transfer of control of your Station, ABC will offer this provision in all proposed renewals of the affiliation agreements that were in effect as of October 2, 2002.

a. Your affiliation agreement between ABC and KIMO cannot be assigned or transferred without timely written notice to ABC as provided below and without the consent of ABC, which consent may be withheld only in the following three circumstances: (a) if the assignee or transferee controls or is controlled by or is under common control with an entity that distributes 10 or more hours of primetime television programming per week to at least 25 affiliated television licensees in 10 or more states (b) if the assignee or transferee is not reasonably qualified to own and operate the station; or (c) on the basis of reasonable business concerns that arise from prior commercial dealings of ABC with the assignee or transferee; provided, however, ABC shall not unreasonably withhold its consent to an assignment or transfer in the case of (b) or (c). Under no circumstance will ABC withhold or condition its consent, directly or indirectly, on a renegotiation of any term, condition or obligation of the affiliation agreement, including, but not limited to, any economic term. Further, the consent of ABC to assignment of the affiliation agreement will, under no circumstances, be required in those instances where assignment of the Station's broadcast license or transfer of control of the license may be approved by the FCC by use of a "short form" assignment or transfer application under Section 73.3540(f) of the FCC's Rules, although ABC must be given notice of the filing of that application as provided below. You shall provide written notice by mail or facsimile to ABC within 30 days following the earlier of the execution of a binding agreement to assign or transfer control of the Station's broadcast license, or the filing of an application to the FCC to approve a transfer of control, which notice shall include the name of the proposed assignee or transferee. ABC shall have the unilateral right to terminate the affiliation agreement if you fail to provide notice of an assignment, transfer or application as provided in this section. Within 30 days of the receipt of such notice, ABC shall provide written notice to you by mail or facsimile whether it consents to the assignment of the affiliation agreement and if it does consent, ABC will concurrently with the giving of such notice execute and deliver to the Station its written consent to the assignment or transfer and thereafter timely execute and deliver such other documents as may be reasonably necessary to effectuate the provisions of this Section. ABC's failure to provide such written notice within the thirty-day period shall constitute ABC's consent to the assignment of the affiliation agreement.

b. Unless we exercise our right to withhold our consent to an assignment or transfer of your affiliation agreement as provided above, the affiliation agreement shall be binding on any assignee or transferee of your station's license, and you agree that you shall not consummate such assignment or transfer of control of your station's license until you have procured and delivered to us, in form as may reasonably be requested by us, the acknowledgement of the proposed assignee or transferee that, upon

consummation of the assignment or transfer of control of your Station's license, the assignee or transferee will assume and perform the affiliation agreement in its entirety without any limitation of any kind. Upon receipt of said acknowledgement, you shall be released from any liability or obligation that thereafter accrues under the affiliation agreement.

VII. Retransmission and Digital

As provided in NAP II, sections II.A & B., the retransmission and digital provisions, of John Rouse's letter of October 2, 2002 (attached hereto as exhibit D) shall remain in effect for the remaining term of the affiliation agreements that were in place as of that date. The subsequent renewal of those agreements will include a grant of retransmission consent that is consistent with the retransmission consent policy as stated in the April 26, 2000 memo from John Rouse to all affiliates (attached hereto as exhibit E). No additional conditions or restrictions will be placed on this grant of retransmission consent. However, ABC reserves the option to request a sharing of revenues or other value that stations may receive in exchange for their grant of retransmission consent as part of the other economic terms of each affiliation agreement, such as compensation, preemption baskets, and other exchanges of value. Of course, the individual details of the final agreement will be subject to negotiations with each affiliate. The subsequent renewal of those agreements will also have a digital provision that will incorporate most, but not all, of the provisions that currently apply to the analog service and are typically contained in our affiliation agreements. For example, whatever non-duplication protection is extended by ABC to your analog signal will apply equally to the primary or main network digital broadcast service to the extent that remains consistent with FCC rules. However, digital broadcasting is not an exact mirror image of the existing analog service and there may be unique digital provisions proposed by ABC for inclusion in new affiliation agreements that will be subject to individual affiliate negotiations.

* * *

Mr. Sean Bradley
KIMO
10/12/2004
Page 13

Except as modified by this NAP III, the terms and provision of your affiliation agreement remain in full force and effect. This NAP III is governed by, and shall be construed in accordance with, the laws of the State of New York. This amendment sets forth the entire agreement with respect to the matters addressed herein and supercedes all negotiations, discussions, drafts or summaries that may have preceded it. No modification or alteration of this amendment will be valid unless memorialized in a writing that is signed by all parties. Each party hereto represents and warrants that this NAP III has been duly executed and delivered by such party. If you agree to all of the foregoing, please execute a copy of this NAP III in the space provided below and return it to me on or before October 19, 2004, at which time and upon receipt of the requisite number of comparable amendments from other Network affiliates, as required above, NAP III shall constitute a valid and binding amendment to your affiliation agreement.

Sincerely,

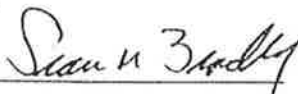


John L. Rouse
Senior Vice President
Affiliate Relations

Accepted and Agreed To:

KIMO

By:



Title:

VP/GM

Dated:

10/22/04

Exhibit A

ABC Television Network



Patricia D. Fili-Krushel
President

June 4, 1999

Mr. David Barrett
Hearst-Argyle TV Inc.
888 Seventh Avenue, 27th Floor
New York, NY 10105

Dear David,

As we discussed yesterday, attached is our proposal. In addition, enclosed are the format adjustments which we would make if no agreement is reached.

In any event, we have made the decision to book the Academy Awards and its pre-show, the Barbara Walters Oscar Special, auto racing, golf and horse racing without compensation. We will add to the format of the above mentioned sports programs two (2) units per hour of affiliate inventory.

I look forward to discussing this proposal with you.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Pat'.

1999-2000 SEASON FORMAT ADJUSTMENTS (6/3/99)

- Eliminate daily 10:30pm ET/PT local :30 News Brief
- Reduce GMA local program windows by total of 1:00 per telecast
- Local break time in Academy Awards will be reduced to 2 :30's in 8:00-8:30pm ET arrivals program and 6 :30's in 8:30-11:00pm ET awards telecast
- Eliminate internal station break time in Orange, Rose, Fiesta and Sugar Bowls
- Super Bowl XXXIV pre-game telecast 2:00-6:15pm will include no local station break time
- Eliminate Affiliate Promo Swap (APS) plans A & B (11 local :30's per week) -
- Reduce affiliate primetime inventory by 3 :30's per week (1 :30 each on Tuesday, Thursday and Sunday)
- Eliminate station comp in all auto racing, golf & horse racing telecasts
- Eliminate station comp for major specials such as Academy Awards, Miss America and Barbara Walters



ABC TV Network

Alex Wallau
President
Operations and Administration

June 7, 2004

David Barrett
President & CEO
Hearst-Argyle Television, Inc.
888 Seventh Avenue
New York, NY 10106

Re: ABC Affiliation Agreement

Dear David:

As you know, the Network Affiliated Stations Alliance (NASA) has alleged that several aspects of the ABC affiliation agreement violate FCC rules. Although ABC does not agree with those allegations, by this letter, ABC is providing the following binding interpretations of its affiliation agreements:

- ABC will not terminate an affiliation agreement as a result of a preemption if the preemption is within a preemption basket or is a legitimate exercise of the right to reject. Under these circumstances, only compensation that is attributable to the individual preempted program will be withheld.
- With respect to the 14-day notice provision in ABC affiliation agreements, ABC states that preemptions for right to reject reasons require only as much prior notice as is reasonable under the circumstances.
- ABC confirms that the requirement for an explanation of preemptions does not hinder the affiliate's right to reject, in that the explanations are used to track preemptions and to verify the nature of the preemption.
- With respect to the local news provisions in some ABC affiliation agreements, ABC confirms that any such clauses do not represent a ceiling on the total amount of local news and do not relate to or constrain the right to reject.
- ABC confirms that its interpretation of existing affiliation agreements and renegotiation of affiliation agreements will be in accordance with the provisions of NAP II regarding assignment, promotion indexing, and local news quality.

Please contact me if you have any questions about the statements in this letter.

Sincerely,



Alex Wallau

Exhibit C

ABC TV Network



Alex Wallau
President
Operations and Administration

June 28, 2004

Ms. Deborah A. McDermott, Chair
ABC Television Affiliates Association
441 Murfreesboro Road
Nashville, TN 37210

Dear Deb:

This is a follow-up to my recent letter to ABC affiliates concerning certain issues raised in the NASA Petition.

The right to reject rule is set forth in 47 C.F.R. § 73.658(e), *Right to reject programs*, which states:

No license shall be granted to a television broadcast station having any contract, arrangement, or understanding, express or implied, with a network organization which, with respect to programs offered or already contracted for pursuant to an affiliation contract, prevents or hinders a station from: (1) Rejecting or refusing network programming which the station reasonably believes to be unsatisfactory or unsuitable or contrary to the public interest, or (2) Substituting a program which, in the station's opinion, is of greater local or national importance.

ABC agrees that, if the conditions of the rule are otherwise satisfied, the program substituted for a network program could be other than news or public affairs programming.

This will further confirm that ABC will no longer include in its network affiliation agreements nor enforce any provision in an existing affiliation agreement which gives ABC the ability to terminate an affiliation if ABC, or a company controlled by or under common control with ABC, acquires a television station in the affiliate's local market.

Sincerely,

A handwritten signature in cursive script that reads "Alex".

Alex Wallau

Exhibit D

October 2, 2002

Ms. Deborah McDermott
Vice President Operations
Young Broadcasting, Inc.
441 Murfreesboro Road
Nashville, TN 37210-2842

Re: N/AP II/Affiliation Agreement Assurances
WATE

Dear Deb:

As you know, a proposed Network Affiliate Plan II has been submitted to your station for approval. That plan, once implemented, will amend the previous N/AP as well as your affiliation agreement with ABC. We appreciate the willingness of affiliates to renew this arrangement. We also understand that there are a number of concerns that affiliates have expressed about existing terms in the current affiliation agreements that are independent of the matters dealt with in the N/AP. ABC will offer the following assurances to stations that accept our N/AP II offer, provided that the requisite number of affiliates also adopt the plan. ABC makes no such assurances: (a) to stations that do not agree to N/AP II; and (b) with respect to stations that do, if the N/AP II is not implemented because too few affiliates have agreed to its terms.

- I. The assurances below will apply through July 31, 2007. During that time ABC will not enforce any existing or new affiliation agreement in a manner that conflicts with them.
- A. Music License Fees: Notwithstanding any provision in your affiliation agreements to the contrary, ABC will continue to pay any necessary music license fees (e.g., ASCAP, BMI, SESAC) for music contained in ABC Television Network Programs.
- B. Promotion: Upon request by an affiliate, ABC will not enforce a provision in its affiliation agreement that requires such affiliate to carry ABC Network promotion announcements in non-network time periods based on indexing to national audience ratings of ABC Network programs and will work with such affiliate that may have such language in an effort to find an alternative way to assure ABC and the station's viewing in that local market.
- C. ABC Purchase of Local Station: ABC will not enforce a provision that permits it to terminate an affiliation agreement upon the purchase by ABC of a station in an affiliate's market.
- D. Programming Commitment: ABC will not enforce any contractual provision that requires local news programming be "network/ affiliate quality".

WATE
October 2, 2002
Page 3

II. The following assurances will remain in effect during the remaining term of your station's existing affiliation agreement.

A. Retransmission Consent: Our current policy of April 26, 2000 remains in effect through the term of your existing affiliation agreement. Going forward, we would like to discuss with affiliates additional ways to find value for these rights.

B. Digital: We have been asked to confirm what we have always understood to be the case. The terms of the affiliation agreement apply equally to the Network's simultaneous analog and digital broadcast of ABC Network Television Programs.

We believe that these assurances, and adoption of the N/AP II, provide a sound foundation for our relationship.

Sincerely,



John Rouse
Senior Vice President
Affiliate Relations

Exhibit E

April 26, 2000

To: General Managers

Re: Retransmission Consent

A number of questions have been raised about the network's position with respect to affiliates granting retransmission consent.

The network policy that has been in place since May 1993, when it was first announced, has been to authorize affiliated stations to grant retransmission consent to cable systems (and other MVPD's) located within the station's DMA and to systems located outside the station's DMA if the station is "significantly viewed" (as defined by FCC rules) in the cable community or if the station has historically been carried on the system i.e. carried as of May 1993.

We have reconsidered our policy and we are announcing the following change, effective immediately. First, we will continue to authorize you to grant retransmission consent to cable systems (and other MVPD's) located within the station's DMA and to systems located outside the station's DMA if the station is "significantly viewed" in the system's community, but the authorization extends only to retransmission deals that expire on or before the expiration date of each station's affiliation contract. We specifically do not authorize any affiliate to grant retransmission beyond the date of the expiration date of the station's affiliation agreement.

Second, we will no longer authorize you to grant retransmission consent outside your DMA if you are not "significantly viewed" in the system's community regardless of whether the station has historically been carried on the system. Exceptions may be possible but only with our prior written consent.

Third, to enable you to better plan your businesses we will not withdraw the new authorization described above during the term of your existing affiliation agreement.

Fourth, we will "grandfather" retransmission contracts entered into before today that are at variance with this revised policy provided that those contracts comply with our May 1993 policy even if they extend beyond the term of your existing affiliation agreement.

Your network Station Relations representative will follow up with you to prepare a list of your existing retransmission consent contracts that qualify for grandfathering. If you have a long-term deal with a right to terminate at some future point in time, we will expect you to exercise that right to conform to this new policy. Please note that our consent to retransmission of your station does not convey the copyrights to the network programming; you are responsible for ensuring that retransmission of all copyrighted network programming included in your stations' signals are appropriately licensed for retransmission on the applicable MVPD system whether under compulsory copyright license or otherwise.

If you have any questions regarding this policy, please contact me or your Station Relations representative.

Regards,
John Rouse
Senior Vice President
ABC Affiliate Relations